CAPITALIZING ON CLIMATE CASH

State Strategies For Leveraging Federal Funding

April 19th at 2pm ET
Introduction

Kristen Soares

State Climate Policy Network Manager
State Climate Policy Network (SCPN)

- Network of 17,500+ policymakers, advocates, business leaders and experts pushing for effective and equitable climate policies in their states
- Host monthly national calls and webinars
- Share updates, research, and analysis on various climate policy topics
How can we help you?

We specialize in state climate policy design and analysis. Reach out to kristen@climate-xchange.org with your questions on:

- **Bill drafting**, analysis, and technical design
- **Gap analysis** of your state’s climate policy landscape
- **Example states** to follow for a given policy

Or, check out our **State Climate Policy Dashboard**, which tracks state-level climate policy and resources across all 50 states.
Speakers

Anjali Bains
Lead Director of Energy Access and Equity, Fresh Energy

Kirsten Stasio
CEO, Nevada Clean Energy Fund (NCEF)
Speaker

Anjali Bains

Lead Director of Energy Access and Equity,
Fresh Energy
Federal Clean Energy Matching Funds: Minnesota State Competitiveness Fund

Anjali Bains (she/her)
Lead Director, Energy Access and Equity
Vision
A just, prosperous, and resilient future powered by a shared commitment to a carbon-neutral economy.

Mission
Shape and drive bold policy solutions to achieve equitable carbon-neutral economies.
Minnesota Legislature 101

- **Biennium:**
  - Budget Year (year 1)
  - Bonding Year (year 2)

- **Session length:** - ~January – May
  - Committee deadlines ~ mid-March
  - Prep begins previous autumn

- **Lawmakers:**
  - 67 state senators
  - 134 state representatives
Minnesota – Setting the stage for 2023 action

**Bonding year**
- Big budget surplus
- Split legislature
- Committee agreement on IIJA match
- End of session - Falls apart

**State elections**
(Governor and all lawmakers)

- May 2022
- Aug 2022
- Nov 2022
- Dec 2022

- Inflation Reduction Act (IRA) passed
- IIJA/IRA/CHIPs Act
- Day-long Retreat
- Advocates
- Lawmakers
- State agencies
- Others (PUC)
Minnesota – Legislative Session 2023

- MN Senate had flipped party leadership ☐ brand new committee chairs
- $17B+ budget surplus, in a budget year
- LOTS of competing priorities, even within clean energy (100% Clean Energy Bill)

*Other challenges/tension points:*
- Legislative oversight vs. executive function
- Staff and leadership departures for lead state agency (Dept of Commerce)
## What is the MN State Competitiveness Fund?

<table>
<thead>
<tr>
<th>Overseeing Agency</th>
<th>MN Department of Commerce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>$115 million grant funding</td>
</tr>
<tr>
<td>Duration</td>
<td>Thru June 30, 2034</td>
</tr>
</tbody>
</table>
| Purpose (what can be used for) | (1) Required matching funds for both IIJA and IRA, or funds that can reduce overall project cost  
                              (2) Grant development assistance  
                              (3) Dept costs incurred to help eligible recipients secure federal funds |
| Eligible Recipients     | Ranked priority:  
                          • Match requirement for state  
                          • Match requirement for political subdivision or Tribal gov’t  
                          • Match requirement to institute of higher education, consumer-owned utilities, or nonprofit org  
                          • Match requirement for investor-owned utilities*  
                          • Other match requirements not listed*  
                          • Non-match grants that can increase competitiveness of an application |
What is the MN State Competitiveness Fund?

<table>
<thead>
<tr>
<th>Legislative Oversight</th>
<th>Legislative Advisory Commission to be informed of grant awards w/in 10 business days, other reporting requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Audit report</strong></td>
<td>due Feb 15 each year to committees with jurisdiction over energy finance</td>
</tr>
<tr>
<td>Funding Breakdown</td>
<td>Of the $115M appropriated:</td>
</tr>
<tr>
<td></td>
<td>• $100M to be used for grant awards</td>
</tr>
<tr>
<td></td>
<td>• $6M for grant development assistance</td>
</tr>
<tr>
<td></td>
<td>• $9M split between reports/audits, Dept of Commerce administration, and information system development</td>
</tr>
</tbody>
</table>

What’s included: IIJA/IRA programs under oversight of Dept of Commerce e.g. grid resilience, weatherization and energy efficiency (HOMES, HEEHRA), cybersecurity, clean hydrogen, clean manufacturing, workforce development) [final list due Nov 15]

What’s not included: Other IIJA/IRA programs under different departments’ purview (e.g. MnDOT has its own transportation matching funds legislation)
Minnesota – What’s Next

How can advocates support implementation of these funds?
- Specific education and outreach
- General public communication
- Tracking and accountability

- Connect and integrate with non-state efforts underway, e.g. utility planning, weatherization, economic/community development, etc
  - PUC docket on IRA implementation

+ Keep advocating for more funding in future years!
Thank you!

Anjali Bains
bains@fresh-energy.org
Speaker

Kirsten Stasio

CEO,
Nevada Clean Energy Fund (NCEF)
Advancing Nevada’s Clean Energy Economy

Kirsten Stasio, CEO
April 19, 2023
The Nevada Clean Energy Fund (NCEF) is a non-profit organization that supports a thriving, affordable, and accessible clean energy economy by providing financial and technical resources to Nevadans. We seek to:

- Improve the quality of life of Nevadans
- Reduce energy costs
- Create high-quality jobs
- Address climate change
NCEF is Based on Successful Green Bank Model

Nevada Governor Signs Green Bank Bill

This week, Nevada Governor Brian Sandoval (R) signed a bill establishing a Nevada Green Bank into law. The bill directs the Nevada Governor’s Office of Energy to create an independent, nonprofit corporation named “the Nevada Clean Energy Fund.” The Nevada Clean Energy Fund purpose will be to support the deployment of clean energy technologies in the state. To accomplish this goal, the Clean Energy Fund will offer a range of financing structures, forms, and techniques for clean energy projects.

A Green Bank is an enormous opportunity for Nevada

A Dozen States Have Green Banks, More in the Works

Green Bank Created
$27B Greenhouse Gas Reduction Fund

- Grants for financing and technical assistance for projects that reduce or avoid GHG emissions and other air pollution.
- Competitive grants administered by US Environmental Protection Agency (EPA).
- In line with legislative intent, statute defines “eligible recipient” essentially as a nonprofit green bank.
- EPA is expected to release a funding opportunity for these funds in early summer 2023.
- Key goals include GHG reductions, benefitting low-income and disadvantaged communities, and leveraging capital.
- Three buckets of funds:

<table>
<thead>
<tr>
<th>Category</th>
<th>Certain nonprofit organizations are eligible</th>
<th>States, municipalities, Tribes are eligible</th>
<th>Zero-emission technologies only</th>
<th>Must benefit low-income and disadvantaged communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7 billion</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>$12 billion</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$8 billion</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>
$8B Each Year Goes Out of State to Meet Nevada’s Energy Needs
The Potential for Clean Energy in Nevada is Immense

- **Solar**
  - Potential: 60 GW
  - Deployed: 3.7 GW
  - Investment opportunity: $85bn+

- **Wind**
  - Potential: 6 GW
  - Deployed: 0.15 GW
  - Investment opportunity: $10bn

- **Geothermal**
  - Potential: 3.8 GW
  - Deployed: 0.6 GW
  - Investment opportunity: $10bn

- **Energy Efficiency**
  - Potential: 7,040 GWh/yr savings
  - Investment opportunity: $6bn

- **Lithium**
  - Potential: 20m+ tons
  - Deployed: 0.004m tons/yr
  - Investment opportunity: $3bn
The Significance of Energy in Our Homes and Lives

Average Annual Expenditures per Household in Nevada (2020)

<table>
<thead>
<tr>
<th>Energy Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>$1,500</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>$430</td>
</tr>
<tr>
<td>Gasoline</td>
<td>$3,700</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$5,630</strong></td>
</tr>
</tbody>
</table>

Transportation is the #1 Source of Many Air Pollutants
1 in 12 Nevada Children is Diagnosed with Asthma
Clean Energy Drives Job Growth in Nevada

Nevada Clean Energy Jobs, 2020

- Solar: 28%
- Energy Efficiency: 34%
- Smart Grid: 4%
- Energy Storage: 3%
- Other clean electricity: 5%

Clean Energy Resources Enable Significant Cost Savings

- Payback periods and ROIs on clean energy investments can be very attractive, but require an initial capital investment to realize.
- Subsidies and health/climate benefits make these investments even more attractive to consumers and society.

![Nevada Top 10 Improvements and Nevada Utility Bill Savings (electricity, gas, and fuel oil)](image)


### Equivalent Price per Gallon of Fueling a Vehicle with Gasoline vs. Electricity, 2021

- Regular gasoline: $3.10
- Electricity: $1.02

$4.23
Nevada Clean Energy Fund Programs

- Single-Family Homes
- Multifamily Housing
- Commercial Buildings
- Clean Fleets
- Rural Solar + Storage
The Inflation Reduction Act is a tremendous increase in federal clean energy spending

Data Source: RMI. December 2022.
Tax credits will play a big role, in addition to grants & rebates

$386B Clean Energy Funds in the Inflation Reduction Act

Green = Tax Credits
Blue = Grants, rebates, other

Data source: US Congressional Budget Office
Examples of Federal Clean Energy Tax Credits

- The amount of funds available for tax credits is uncapped, so how much flows to Nevada is based purely on adoption rates.
- Tax credits can reduce the upfront cost of installed measures and ongoing energy costs for Nevadans.
- Many commercial tax credits are now available to governmental entities, Tribes, tax-exempt organizations, and rural cooperatives through a cash reimbursement from the IRS.

<table>
<thead>
<tr>
<th>Household Measure</th>
<th>Tax Credit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weatherization</td>
<td>$1,200</td>
</tr>
<tr>
<td>Rooftop solar, battery storage, or geothermal heating</td>
<td>30% of cost</td>
</tr>
<tr>
<td>New Electric Vehicle</td>
<td>$7,500</td>
</tr>
<tr>
<td>Used Electric Vehicle</td>
<td>$4,000</td>
</tr>
<tr>
<td>Electric Vehicle Charger</td>
<td>$1,000</td>
</tr>
<tr>
<td>Heat Pump Air Conditioner/Heater</td>
<td>$2,000</td>
</tr>
<tr>
<td>Heat Pump Water Heater</td>
<td>$2,000</td>
</tr>
<tr>
<td>Electrical Panel</td>
<td>$600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commercial Measure</th>
<th>Tax Credit Amount (up to)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Efficiency</td>
<td>$5/square foot</td>
</tr>
<tr>
<td>Solar, battery storage, or geothermal heating</td>
<td>30%-70% of cost</td>
</tr>
<tr>
<td>Electric Vehicle &lt;14,000 lbs</td>
<td>$7,500</td>
</tr>
<tr>
<td>Electric Vehicle &gt;14,000 lbs</td>
<td>$40,000</td>
</tr>
<tr>
<td>Electric Vehicle Charger</td>
<td>30% of cost, not to exceed $100k</td>
</tr>
</tbody>
</table>

The above is intended to provide a summary of selected federal clean energy tax credits available and should not be interpreted as tax or legal advice. Federal and state agencies will be issuing final guidance and regulations related to these provisions. Relevant IRC Sections include: 25C, 25D, 30D, 25E, 30C, 179D, 48, 45W, 45W, 30C.
Thank You

https://nevadacef.org/
Twitter: @NevadaCEF
info@nevadacef.org
Resources and Technical Assistance

State Funding Readiness Project

Contact: info@statereadiness.org

Eligible entities: State, local, and tribal governments

Provides free assistance to identify/apply for federal funding, clarify program guidance, etc

Capacity-Building Technical Assistance Program

Contact: info@environmentalprotectionnetwork.org

Eligible entities: State, local, and tribal agencies; NGOS; communities

Inquire here

Provides pro bono assistance to understand/navigate government grants, identify agency contacts, etc

Local Infrastructure Hub & Grant Application Bootcamp

Contact: Localinfrastructurehub@nlc.org

Eligible entities: Local governments with up to 150,000 residents

Local Infrastructure Hub

Offers free support and advice in developing grant applications for BIL programs

Federal Access Center

Contact: nroper@justtransitionfund.org

Eligible entities: 501(c)(3) non-profit organizations and state/local governments serving coal communities

Apply here

Federal Access Center

Offers grants to support application costs, and assists with identifying funding programs

Thriving Communities Technical Assistance Centers

Full list of centers can be found here.

Provide training and assistance on navigating, writing, and managing grant proposals

Programs drawn from a federal funding assistance resource compiled by Climate XChange, Environmental Policy Innovation Center (EPIC), and Beech Hill Research
Thank you for joining!

Reach out to kristen@climate-xchange.org with any additional questions!
Appendix: Detailed Resources

State Funding Readiness Project
Contact: info@statereadiness.org
Eligible entities: State, local, and tribal governments

Capacity-Building Technical Assistance Program
Contact: info@environmentalprotectionnetwork.org
Eligible entities: State, local, and tribal agencies; NGOS; communities

Local Infrastructure Hub & Grant Application Bootcamp
Contact: localinfrastructurehub@nlc.org
Eligible entities: Local governments with 150,000 or fewer residents

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